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NEWS RELEASE

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Investors in Gold Mining Scheme Alleged to be Victims of Investment Fraud

Three investors were promised gold bullion if they gave \$160,000 to open gold mines ...

SALT LAKE CITY, Utah – An order to show cause was issued today against Tin Cup Mining Corporation, of Nevada, and its president, Giles H. Florence, of Salt Lake County. Tin Cup and Florence are accused of taking \$160,525 from three investors in 2002 and 2003, saying their money would be used to open gold mines in Nevada and California and that the investors would get gold bullion from the mines.

According to the order to show cause, Florence told investors that Tin Cup Mining owned two gold mines. Investors were promised returns in excess of 300% within a few months. The return would be paid in cash and gold from the mines. One investor was promised 200 ounces of gold valued at over \$64,000 in return for a \$32,350 investment. If the mine produced no gold, the investor would get the amount of investment plus 6% interest in seven months. Another investor was promised a return of principal plus 100% interest within 60 days – plus 100 ounces of bullion within six months – if the investor would make a short-term loan to the company.

The Utah Division of Securities alleges that Florence falsely told investors that Tin Cup owned all the milling and mining equipment near the Nevada mine and that production would begin immediately. In fact, the mining equipment was not owned by Tin Cup, the company did not own mining claims to the Nevada and California mines, and there was no reasonable basis to say that production from the mines would begin immediately.

Florence and Tin Cup are also accused of not giving investors complete information about the mining enterprises including the risks involved, how the investment funds would be used, and the mining experience of Florence. In addition, the two later investors were not told that when they made some of their investments, Tin Cup was already in default in payments owed to an earlier investor. Only \$6,000 has been repaid to one of the investors.

The order to show cause accuses Tin Cup and Florence of engaging in securities fraud by misrepresenting information and failing to disclose necessary information. The Division seeks to impose a fine of \$171,000 against each of the entities named. A hearing will be held January 15 to determine whether Tin Cup and Florence dispute the allegations against them.

Investors are urged to contact the Division to make sure anyone offering investments is licensed. 801.530.6600, or toll free at 1.800.721.7233. www.securities.utah.gov.